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May 28, 2009

Ms. Rene Jenkins, Secretary
Public Utilities Commission of Ohio
180 E. Broad Street, 13th Floor
Columbus, OH 43215

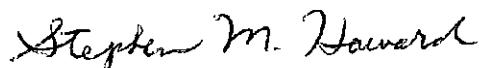
Re: Case No. 08-941-GA-ALT
Pike Natural Gas Company

Dear Ms. Jenkins:

Yesterday, letters were mailed to the Mayors and Council Members of the Cities of Hillsboro and Waverly and the Villages of Leesburg, New Vienna, Piketon, Sabina and Beaver informing them of the substance of the Application pending in Case No. 08-941-GA-ALT on behalf of Pike Natural Gas Company. Copies of these letters are attached to this letter.

Thank you for your cooperation.

Sincerely yours,



Stephen M. Howard
Attorneys for Pike Natural Gas Company

SMH/jaw

Enclosure

cc: Anne Hammerstein
Joseph Serio

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business
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PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Mayor Zink:

Pike Natural Gas Company (Pike) has filed an application with the Public Utilities Commission of Ohio (Case No. 08-941-GA-ALT) proposing that it be allowed to charge to all General Service Residential and Commercial Service customers a monthly customer charge that would move toward a Straight Fixed Variable Methodology.

Although there are no Industrial Service or Transportation Service customers receiving service under the tariff, the proposed rate schedules for these classes would be affected. This proposal would first subdivide the General Service rate schedule into a residential class and a commercial class. The proposal would increase the Residential customer charge from \$7.00 per month to \$15.93 per month and the Commercial customer charge from \$7.00 per month to \$50.93 per month. The monthly Industrial Service and Transportation Service tariffed Customer Charges is proposed to be increased from \$150 per month to \$200 per month.

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This proposal will change Pike's rate design from a structure where the Company's opportunity to earn its allowed return is dependent upon sales volumes to a structure which is less dependent on sales volumes.

A Demand Side Management program is proposed that will enable Pike to produce approximately \$90,000 annually in order to promote energy conservation for high usage Percentage of Income Payment Plan (PIPP) Residential customers.

This information should help address questions which may arise from your constituents. If you would like to discuss any of this material, please call me at 614-395-0622. We appreciate the opportunity to continue to provide natural gas service to you and your constituents.

Sincerely yours,

Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mayor Dick Zink
City of Hillsboro
130 N. High Street
Hillsboro, OH 45133



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HILLSBORO
937-393-1901
OR
WAVERLY
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May 27, 2009

Dear Council President Donley:

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GAS COMPANY**
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ZANESVILLE, OHIO 43702-0698

Mr. Richard Donley
Council President
City of Hillsboro
130 N. High Street
Hillsboro, OH 45133



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May 27, 2009

Dear Council Member Pence:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Peter Pence
Council Member
City of Hillsboro
130 N. High Street
Hillsboro, OH 45133



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May 27, 2009

Dear Council Member Daniels:

Pike Natural Gas Company (Pike) has filed an application with the Public Utilities Commission of Ohio (Case No. 08-941-GA-ALT) proposing that it be allowed to charge to all General Service Residential and Commercial Service customers a monthly customer charge that would move toward a Straight Fixed Variable Methodology.

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Sincerely yours,

Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Rodrick Daniels
Council Member
City of Hillsboro
130 N. High Street
Hillsboro, OH 45133



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OR
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May 27, 2009

Dear Council Member Waller:

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Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



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GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Brian Waller
Council Member
City of Hillsboro
130 N. High Street
Hillsboro, OH 45133



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P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

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OR
WAVERLY
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May 27, 2009

Dear Council Member Levo:

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Sincerely yours,

Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

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ZANESVILLE, OHIO 43702-0698

Mr. John Levo
Council Member
City of Hillsboro
130 N. High Street
Hillsboro, OH 45133



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Parr:

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Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Ms. Bonnie Parr
Council Member
City of Hillsboro
130 N. High Street
Hillsboro, OH 45133



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Shoemaker:

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Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Dave Shoemaker
Council Member
City of Hillsboro
130 N. High Street
Hillsboro, OH 45133



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
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May 27, 2009

Dear Council Member Brown:

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Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



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P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Ms. Beverly Brown
Council Member
City of Hillsboro
130 N. High Street
Hillsboro, OH 45133



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May 27, 2009

Dear Mayor Cook:

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Regulatory Compliance Officer



**PIKE NATURAL
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P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mayor Jim Cook
Village of Leesburg
P.O. Box 35
Leesburg, OH 45135



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P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
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May 27, 2009

Dear Council President Priest:

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Ms. Bernease Priest
Council President
Village of Leesburg
P.O. Box 35
Leesburg, OH 45135



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Mr. Pat Hagen
Council Member
Village of Leesburg
P.O. Box 35
Leesburg, OH 45135



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A Demand Side Management program is proposed that will enable Pike to produce approximately \$90,000 annually in order to promote energy conservation for high usage Percentage of Income Payment Plan (PIPP) Residential customers.

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Sincerely yours,

Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Robert Barrett, Jr.
Council Member
Village of Leesburg
P.O. Box 35
Leesburg, OH 45135



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Henson:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Mark Henson
Council Member
Village of Leesburg
P.O. Box 35
Leesburg, OH 45135



PIKE NATURAL GAS COMPANY

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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. George Phillips
Council Member
Village of Leesburg
P.O. Box 35
Leesburg, OH 45135



PIKE NATURAL GAS COMPANY

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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Daulton:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Danny Daulton
Council Member
Village of Leesburg
P.O. Box 35
Leesburg, OH 45135



PIKE NATURAL GAS COMPANY

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HILLSBORO
937-393-1901
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May 27, 2009

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mayor Keith Collins
Village of New Vienna
97 W. Main Street
New Vienna, OH 45159



PIKE NATURAL GAS COMPANY

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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

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Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Ms. Judy Havens
Council President
Village of New Vienna
97 W. Main Street
New Vienna, OH 45159



PIKE NATURAL GAS COMPANY

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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Crum:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Ms. Rhonda Crum
Council Member
Village of New Vienna
97 W. Main Street
New Vienna, OH 45159



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HILLSBORO
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OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Keplinger:

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Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Jerry Keplinger
Council Member
Village of New Vienna
97 W. Main Street
New Vienna, OH 45159



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Rappach:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Ms. Tracie Rappach
Council Member
Village of New Vienna
97 W. Main Street
New Vienna, OH 45159



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937-393-1901
OR
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May 27, 2009

Dear Council Member Adam:

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Regulatory Compliance Officer



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GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Ms. Betty Adam
Council Member
Village of New Vienna
97 W. Main Street
New Vienna, OH 45159



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OR
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Regulatory Compliance Officer



**PIKE NATURAL
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P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Randy Thompson
Council Member
Village of New Vienna
97 W. Main Street
New Vienna, OH 45159



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May 27, 2009

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mayor Bill Spencer
Village of Piketon
P.O. Box 547
Piketon, OH 45661



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council President Douthitt:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Ralph Douthitt
Council President
Village of Piketon
P.O. Box 547
Piketon, OH 45661



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May 27, 2009

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A Demand Side Management program is proposed that will enable Pike to produce approximately \$90,000 annually in order to promote energy conservation for high usage Percentage of Income Payment Plan (PIPP) Residential customers.

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Sincerely yours,

Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Brock Clemons
Council Member
Village of Piketon
P.O. Box 547
Piketon, OH 45661



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Barker:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mrs. Barb Barker
Council Member
Village of Piketon
P.O. Box 547
Piketon, OH 45661



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Smith:

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**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Ms. Ruth Smith
Council Member
Village of Piketon
P.O. Box 547
Piketon, OH 45661



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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Brushart:

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Regulatory Compliance Officer



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GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Victor Brushart
Council Member
Village of Piketon
P.O. Box 547
Piketon, OH 45661



PIKE NATURAL GAS COMPANY

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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Satchell:

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Regulatory Compliance Officer



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GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Steve Satchell
Council Member
Village of Piketon
P.O. Box 547
Piketon, OH 45661



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HILLSBORO
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May 27, 2009

Dear Mayor Carnahan:

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Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mayor Dean Carnahan
Village of Sabina
99 N. Howard St.
Sabina, OH 45169



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council President Sloan:

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P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Ms. Peggy Sloan
Council President
Village of Sabina
99 N. Howard St.
Sabina, OH 45169



PIKE NATURAL GAS COMPANY

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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Osborne:

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Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Dan Osborne
Council Member
Village of Sabina
99 N. Howard St.
Sabina, OH 45169



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Mark Wical
Council Member
Village of Sabina
99 N. Howard St.
Sabina, OH 45169



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P. O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Jim Haley
Council Member
Village of Sabina
99 N. Howard St.
Sabina, OH 45169



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

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Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 888
ZANESVILLE, OHIO 43702-0698

Mr. Dean Hawk
Council Member
Village of Sabina
99 N. Howard St.
Sabina, OH 45169



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
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May 27, 2009

Dear Council Member Stein:

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Regulatory Compliance Officer



**PIKE NATURAL
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P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Ms. Joyce Stein
Council Member
Village of Sabina
99 N. Howard St.
Sabina, OH 45169



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
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May 27, 2009

Dear Mayor Dale Reed:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mayor Dale Reed
City of Waverly
201 W. North St.
Waverly, OH 45690



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
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May 27, 2009

Dear Council President Kempton:

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Sincerely yours,

Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Greg Kempton
Council President
City of Waverly
201 W. North St.
Waverly, OH 45690



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Patterson:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Thomas Patterson
Council Member
City of Waverly
201 W. North St.
Waverly, OH 45690



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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Ms. Joyce Thompson
Council Member
City of Waverly
201 W. North St.
Waverly, OH 45690



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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Demlow:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Dick Demlow
Council Member
City of Waverly
201 W. North St.
Waverly, OH 45690



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HILLSBORO
937-393-1901
OR
WAVERLY
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May 27, 2009

Dear Council Member McDaniel:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Michael McDaniel
Council Member
City of Waverly
201 W. North St.
Waverly, OH 45690



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937-393-1901
OR
WAVERLY
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May 27, 2009

Dear Council Member Blockeman:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Forest Blockeman
Council Member
City of Waverly
201 W. North St.
Waverly, OH 45690



PIKE NATURAL GAS COMPANY

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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Fisher:

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**PIKE NATURAL
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P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Steve Fisher
Council Member
City of Waverly
201 W. North St.
Waverly, OH 45690



PIKE NATURAL GAS COMPANY

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HILLSBORO
937-393-1901
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May 27, 2009

Dear Mayor Brown:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**

P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mayor Rocky Brown
Village of Beaver
P.O. Box 104
Beaver, OH 45613



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council President Mathews:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Paul Mathews
Council President
Village of Beaver
P.O. Box 94
Beaver, OH 45613



PIKE NATURAL GAS COMPANY

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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Maynard:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Rexton Maynard
Council Member
Village of Beaver
238 Second St.
Beaver, OH 45613



PIKE NATURAL GAS COMPANY

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HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Robert Sowards
Council Member
Village of Beaver
P.O. Box 5
Beaver, OH 45613



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HILLSBORO
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OR
WAVERLY
740-947-5121

May 27, 2009

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Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Robby Roberts
Council Member
Village of Beaver
515 Ohio Ave.
Beaver, OH 45613



PIKE NATURAL GAS COMPANY

P.O. BOX 698 • ZANESVILLE, OHIO 43702-0698

HILLSBORO
937-393-1901
OR
WAVERLY
740-947-5121

May 27, 2009

Dear Council Member Neu:

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Regulatory Compliance Officer



**PIKE NATURAL
GAS COMPANY**
P.O. BOX 698
ZANESVILLE, OHIO 43702-0698

Mr. Richard Neu
Council Member
Village of Beaver
P.O. Box 8
Beaver, OH 45613



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May 27, 2009

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Pike Natural Gas Company (Pike) has filed an application with the Public Utilities Commission of Ohio (Case No. 08-941-GA-ALT) proposing that it be allowed to charge to all General Service Residential and Commercial Service customers a monthly customer charge that would move toward a Straight Fixed Variable Methodology.

Although there are no Industrial Service or Transportation Service customers receiving service under the tariff, the proposed rate schedules for these classes would be affected. This proposal would first subdivide the General Service rate schedule into a residential class and a commercial class. The proposal would increase the Residential customer charge from \$7.00 per month to \$15.93 per month and the Commercial customer charge from \$7.00 per month to \$50.93 per month. The monthly Industrial Service and Transportation Service tariffed Customer Charges is proposed to be increased from \$150 per month to \$200 per month.

Volumetric rates for Residential and Commercial customers and for Industrial Service and Transportation Service schedules would be reduced. Under this proposal, the average Residential customer using 76.45 MCF per year would see a slight decrease in his monthly gas bill; the average low use Residential customer using 38.23 MCF per year would see an increase in the monthly bill of 11.9%; and the average Commercial customer using 387.29 MCF per year would see a decrease in the monthly gas bill of 1.2%.

This proposal will change Pike's rate design from a structure where the Company's opportunity to earn its allowed return is dependent upon sales volumes to a structure which is less dependent on sales volumes.

A Demand Side Management program is proposed that will enable Pike to produce approximately \$90,000 annually in order to promote energy conservation for high usage Percentage of Income Payment Plan (PIPP) Residential customers.

This information should help address questions which may arise from your constituents. If you would like to discuss any of this material, please call me at 614-395-0622. We appreciate the opportunity to continue to provide natural gas service to you and your constituents.

Sincerely yours,

Kenneth N. Rosselet, Jr.
Regulatory Compliance Officer



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